

Message Text

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SUBJECT: EC COUNCIL APPROVES RESOLUTION ON AIRCRAFT POLICY

REF: A) EC BRUSSELS 8688

B) EC BRUSSELS 8126

C) EC BRUSSELS 4332

1. SUMMARY: THE EC COUNCIL HAS APPROVED WITHOUT DISCUSSION THE LONG-AWAITED RESOLUTION ON AIRCRAFT POLICY. THE RESOLUTION, WHICH CALLS UPON THE MEMBER STATES TO EXCHANGE INFORMATION ON THEIR RESPECTIVE AIRCRAFT POLICIES AND PROJECTS AND TO TRY TO DEVELOP JOINT PROJECTS, DOES NOT REQUIRE POLICY CHANGES BY THE MEMBER STATES. HOWEVER, THERE IS SERIOUS CONCERN IN THE COMMISSION ABOUT THE DECLINING STATE OF THE EUROPEAN AIRCRAFT INDUSTRY AND A STRONG DESIRE TO DO SOMETHING ABOUT IT IN A FAIRLY SHORT TIME FRAME. END SUMMARY.

2. THE EC COUNCIL OF FINANCE MINISTERS APPROVED
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WITHOUT DEBATE AT THEIR MEETING ON DEC. 19 A DRAFT EC

COUNCIL RESOLUTION ON CONCERTED ACTION AND CONSULTATION BETWEEN THE MEMBER STATES ON INDUSTRIAL POLICY IN THE AERONAUTICAL SECTOR. BECAUSE OF THE VACATION PERIOD, WE HAVE NOT YET SEEN THE FINAL VERSION OF THE RESOLUTION NOR DISCUSSED IT WITH COMMISSION OR PERMREP OFFICIALS, BUT PRESS REPORTS SUGGEST THAT IT IS SIMILAR TO THE DRAFT SENT TO EUR/RPE BY TRANSMITTAL SLIP ON MAY 3. THE RESOLUTION CALLS UPON THE MEMBER STATES TO COORDINATE THEIR NATIONAL AIRCRAFT POLICIES, EXCHANGE INFORMATION ON NEW AIRCRAFT PROGRAMS, WORK TOWARD JOINT PROGRAMS AND TO FAVOR CROSS-FRONTIER MERGERS OF THE AIRCRAFT INDUSTRIES IN THE MEMBER STATES. IN CASES WHERE THERE ARE JOINT AIRCRAFT PROGRAMS, THE MEMBER STATES WILL EXAMINE IF IT IS POSSIBLE TO GRANT AND HARMONIZE THEIR NATIONAL AID (SEE REFTEL C). DURING THE PAST SEVERAL MONTHS THE UK HAD HELD UP THE RESOLUTION BECAUSE IT OBJECTED TO A REFERENCE IN THE PREAMBLE TO THE 1972 PARIS SUMMIT.

3. ALTHOUGH THE RESOLUTION, IF IT IS INDEED SIMILAR TO THE EARLIER DRAFT, DOES NOT BY ITSELF IMMEDIATELY THREATEN US INTERESTS AS DID THE DRAFT DIRECTIVE THAT WAS WITHDRAWN BY THE COMMISSION, SEE REFTEL C, THE THREAT OF PREJUDICIAL ACTION IS STILL PRESENT. CONVERSATIONS WITH COMMISSION OFFICIALS, A RECENT SPEECH BY COMMISSIONER SPINELLI, (SEE REFTEL A), AND THE OCTOBER US-EC INDUSTRIAL TALKS (SEE REFTEL B), DEMONSTRATE THAT EC COMMISSION OFFICIALS TAKE THE CRISIS IN THE EUROPEAN COMMERCIAL AIRCRAFT INDUSTRY EXTREMELY SERIOUSLY AND STRONGLY RESENT THE CONTINUING DECLINE IN ITS ALREADY SMALL SHARE OF THE EUROPEAN AIRCRAFT MARKET DUE TO INCREASED USE OF US BUILT PLANES. THERE IS ALSO SIGNIFICANT PRESSURE FROM THE EUROPEAN AIRCRAFT INDUSTRY TO HAVE POLICY STEPS TAKEN WHICH WOULD REVERSE THE SITUATION.

4. AGENCE EUROPE OF DEC. 21 REPORTS THAT IN THE SPRING THE COMMISSION WILL PRESENT TO THE EC LIMITED OFFICIAL USE

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COUNCIL AN OVERALL REPORT ON THE SITUATION IN THE EUROPEAN AIRCRAFT INDUSTRY. BASED ON THIS REPORT, THE COMMITTEE OF PERMANENT REPRESENTATIVES (COREPER) IS TO SEND THE COUNCIL BY OCT. 1, 1975, A DOCUMENT SUMMARIZING THE SITUATION AND PROPOSING MEASURES TO BE TAKEN FOR THE DEVELOPMENT OF THE INDUSTRY.

5. A FURTHER ASPECT OF ACTIVITY IN THIS FIELD IN-

VOLVES COOPERATION BETWEEN EUROPEAN AIRCRAFT
MANUFACTURERS AND EUROPEAN AIRLINES. CHRISTOPHER
LAYTON, THE EC COMMISSION DIRECTOR RESPONSIBLE FOR
AIRCRAFT, REPORTEDLY TOLD AGENCE EUROPE THAT SIX
EUROPEAN AIRCRAFT MANUFACTURERS AND THREE EUROPEAN
AIRLINES AGREED IN SEPTEMBER TO EXAMINE IN COMMON
SPECIFICATIONS FOR NEW AIRCRAFT. LAYTON MENTIONED
THIS DEVELOPMENT AT THE US-EC TALKS (SEE REFTEL B).GREENWALD

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